CITY GENERATES NEARLY HALF-MILLION DOLLARS IN SAVINGS

INDIANAPOLIS - The City of Indianapolis announced today the realization of approximately $500,000 in savings as the Indianapolis Bond Bank priced $126.2 million in tax anticipation notes at a rate lower than projected for the 2009 budget.

The notes for the City, County and the Marion County Public Library were priced at a 1.15 percent annual yield, well below what the City Controller assumed in the 2009 budget projection. The lower-than-expected interest costs presents savings across program areas.

“These savings provide flexibility and opportunities to make taxpayer dollars stretch even further,” said City Controller David Reynolds. “This half-million dollars in savings can now be put to good use for departments including Police, Fire, Parks and other priorities of the Mayor.”

Due primarily to the volatility in the bond market over the past four months, the City had been working with an assumed pricing of the notes at a rate of 2.0 percent. Most recently, in June 2008, the City borrowed at a rate of 1.89 percent.

“We are very pleased with the pricing and strong indications of interest by buyers,” said Kevin Taylor, Director of the Indianapolis Bond Bank. “The national interest by investors is an indication of the City’s market access. It helps that the City’s credit ratings are high and especially that we are heading into 2009 with a balanced budget.”

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